

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10
L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11
HA-05 AID-05 IO-13 ACDA-12 OMB-01 TRSE-00 /104 W
-----013858 221317Z /41

R 211615Z JUL 78
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 3134
INFO AMEMBASSY BOGOTA
AMCONSUL CURACAO
USCINCLANT NORFOLK VA
USCINCSO QUARRY HEIGHTS

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USCINCLANT FOR POLAD

E.O. 11652: NA
TAGS: PINS PEPR EFIN VE
SUBJECT: THIS WEEK IN VENEZUELA

REF: (A) CARACAS 6565, (B) CARACAS 1639

SUMMARY: SUPREME ELECTORAL COUNCIL DEVELOPMENTS: MINI-
TEMPEST OVER GOVERNMENT PROPAGANDA; ARRIA REGISTERS.
NETHERLANDS ANTILLES MINISTER-PRESIDENT HOLDS TALKS IN
CARACAS. ARMY KILLS TWO INSURGENTS. GOVERNMENT APPROVES
HIGHER INTEREST RATES ON LOANS OBTAINED ABROAD. END SUMMARY.

1. SUPREME ELECTORAL COUNCIL DEVELOPMENTS: MINI-TEMPEST
OVER GOVERNMENT PROPAGANDA; ARRIA REGISTERS.
IN THE LATEST CAMPAIGN MINI-TEMPEST, THE SUPREME ELECTORAL
COUNCIL (CSE) VOTED OVERWHELMINGLY JULY 19 TO ORDER THE
INFORMATION MINISTRY TO CEASE SHOWING SIX TELEVISION
ADVERTISEMENTS BECAUSE THEY DEMONSTRATE PARTISANSHIP IN
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FAVOR OF AD CANDIDATE PINERUA ORDAZ. THE AD REPRESENTATIVE
ON THE CSE, ENRIQUE PADILLA RON COUNTERED THAT AD WILL BRING A
SUIT AGAINST THE CSE IN COURT TO DETERMINE IF THE PARTY HAS
VIOLATED THE ELECTIONS LAWS. IN A SEPARATE DEVELOPMENT,
INDEPENDENT DIEGO ARRIA, JULY 20, WAS OFFICIALLY PROCLAIMED THE
PRESIDENTIAL CANDIDATE OF THE "WORKERS MOVEMENT" (CARACAS 2690)
AND HIS OWN "COMMON CAUSE" IN A CSE CEREMONY. COMMENT:

THE CSE IS CONTROLLED BY OPPOSITION PARTY REPRESENTATIVES
AND THE DELICATE ISSUE OF WHAT CONSTITUTES ILLEGAL GOVERNMENT
PROPAGANDA AS OPPOSED TO LEGITIMATE SELF-PROMOTION WILL NOW APPARENTL
Y

BE DECIDED BY THE COURTS. THE GOV AND AD
HAVE BEEN AT ODDS WITH THE CSE DURING THIS CAMPAIGN, MOST
NOTABLY LAST MONTH WHEN CSE PRESIDENT CHAPELLIN INFORMED
THE PRESS THAT HE AND INFORMATION MINISTER ARMAS HAD AGREED
THE GOV WOULD REDUCE ITS PROPAGANDA BY 50 PERCENT,
ONLY TO HAVE ARMAS DENY ANY SUCH ACCORD. FOR HIS PART, ARRIA,
WHO HAD PREVIOUSLY SOUGHT AND RECEIVED THE ENDORSEMENT OF
THE "WORKERS MOVEMENT" AS A HEDGE AGAINST THE POSSIBILITY OF
NOT MEETING THE LEGAL REQUIREMENTS IN TIME TO RUN ON HIS OWN
"COMMON CAUSE" BANNER, WAS CLEARLY PLEASED THAT HE WILL BE
ABLE TO USE THE "COMMON CAUSE" SYMBOLS. HE DISCOUNTED
RECENT POLLS WHICH SHOW HIM WITH ONLY 1 PERCENT OF THE
POPULAR VOTE. END COMMENT.

2. VISIT OF NETHERLANDS ANTILLES MINISTER-PRESIDENT.
NETHERLANDS ANTILLES MINISTER-PRESIDENT SYLVIVUS ROZENDAL
VISITED CARACAS JULY 14-16, ACCOMPANIED BY HIS MINISTERS OF
LABOR, ECONOMIC AFFAIRS AND FINANCE FOR TALKS WITH FONMIN
CONSALVI AND OTHER GOV OFFICIALS. ROZENDAL HEADED THE DELEGATION
TO THE FIRST SESSION OF THE VENEZUELAN-NETHERLANDS
ANTILLES COMMISSION MEETING TO IMPLEMENT THE IMMIGRATION,
COMMERCIAL AND ECONOMIC PROGRAMS AGREED TO DURING HIS EARLIER
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VISIT TO CARACAS IN FEBRUARY (REF B). THE MEETING IS THE FIRST
IN A SERIES BEING HELD TO IMPLENENT THE JOINT PROGRAMS.
WHILE IN CARACAS, ROZENDAL ALSO ANNOUNCED START OF NEGOTIATIONS
FOR A NEW FISHING AGREEMENT BETWEEN VENEZUELA AND THE
NETHERLANDS ANTILLES.

3. ARMY KILLS TWO INSURGENTS.
ON JULY 19, TWO PRESUMED GUERRILLAS WERE KILLED IN A FIREFIGHT
WITH ARMY RANGERS IN A RURAL AREA IN GUARICO STATE,
NEAR THE ANZOATEGUI STATE BORDER. SIX OTHER WERE WOUNDED.
DURING AN INSPECTION TOUR OF ARMY AND NATIONAL GUARD UNITS
TAKING PART IN THE ANTI-GUERRILLA OPERATIONS, THE COMMANDING
GENERAL OF THE NATIONAL GUARD IN ANZOATEGUI, GENERAL GAUDY
GIMENEZ, REVIEWED THE SITUATION IN A PRESS INTERVIEW AND
NOTED THE MINISTER OF DEFENSE'S ANTI-GUERRILLA OPERATIONS
WERE PROCEEDING ON SCHEDULE. COMMENT: MILITARY OFFICERS
IN THE FIELD RARELY OFFER PRESS INTERVIEWS, AND ALTHOUGHT
GIMENEZ WAS LACONIC, THE FACT OF THE INTERVIEW ITSELF
REFLECTS A SENSE OF PROGRESS AND CONFIDENCE ON THE PART OF
THE AUTHORITIES IN THEIR ANTI-GUERRILLA CAMPAIGN. END COMMENT.

4. GOVERNMENT APPROVES HIGHER INTEREST RATES ON LOANS

OBTAINED ABROAD.

THE SUPERINTENDENT OF FOREIGN INVESTMENT, DR. RAFAEL SOTO ALVAREZ, HAS ANNOUNCED THAT HIS ORGANIZATION (SIEX) WILL APPROVE HIGHER INTEREST RATES FOR LOANS AND OTHER CREDITS OBTAINED ABROAD. EFFECTIVE IMMEDIATELY, SIEX IS PREPARED TO APPROVE CONTRACTS CALLING FOR AN INTEREST RATE OF UP TO 3 PERCENT OVER LIBOR. THE PREVIOUS POLICY WAS NOT TO APPROVE CONTRACTS WITH AN INTEREST RATE EXCEEDING 2 PERCENT OVER LIBOR. THE MOVE IS CONSIDERED NECESSARY NOT ONLY TO EASE THE CURRENT TIGHT LIQUIDITY SITUATION, BUT ALSO TO HELP ARREST THE DECLINE IN FOREIGN EXCHANGE RESERVES SINCE LAST AUGUST.

5. OTHER REPORTING THIS WEEK INCLUDED: FISHING AGREEMENT WITH TRINIDAD GOES INTO EFFECT (CARACAS 1566), GOV DENIES LIMITED OFFICIAL USE

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PERMISSION FOR PANAM FLIGHT (CARACAS 6670), OCCIDENTAL PETROLEUM -SUPREME COURT HANDS DOWN DECISION (CARACAS 6651), THE AMAZON PACT (CARACAS 6802), SECURITY ASSISTANCE REPORTING VENEZUELA (CARACAS 6797), REQUEST FOR MEDICAL EVACUATION BY VENEZUELAN EMBASSY (CARACAS 6719).
CROWLEY

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